

## ETEXT ATTACHMENT

06/17/2005 12 : 24

June 17, 2005  
Kristine Adams  
Campaign Finance Analyst  
Reports Analysis Division  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463  
Identification Number: C00003418  
RE: Amended 30 Day Post-General Report (10/14/04-11/22/04)

Dear Ms. Adams;

This correspondence is in response to your "Request For Additional Information" ("RFAI"), resulting from the Republican National Committee's ("RNC") "Amended 30 Day Post-General Report (10/14/04-11/22/04)".

Regarding year-to-date totals, at the time of your review, we were in the process of amending information that impacted 7 consecutive reports for the year 2004. During the time needed to process these amendments, changes to the totals did not always correlate with subsequent reports. Upon completion of the entire series of amendments, the totals now correlate with prior and subsequent reports. Please note, the totals reported on this report did not change.

Schedule B supporting Line 26 of the Summary Page is now correctly included with the report. This problem was the result of an error processing loan repayments. We utilize the FEC provided validation test for our data integrity, however this report line is not currently supported by the FEC provided program. In these cases we have procedures in place to trigger our own data integrity tests. Unfortunately, we are still developing these procedures, and the coincidence of loan repayment is so infrequent for our typical operations, that this disbursement was not checked. Procedures are now updated to test for this.

The Miscellaneous receipts you questioned are correctly reported. The billing address and street address of the Plaza Hotel read differently but actually refer to the same location. Cobraserv is a business that routinely sends us insurance premium adjustments they collect from our former employees for us to provide their health insurance as required by federal COBRA laws.

Regarding Schedule B, the terms "Labor Cost", "Labor Costs", "Production Cost", "Production Cost, Labor", "Production Costs", "Voter Registration Costs" and "production services" have been corrected to more clearly describe the purpose of the disbursement and the report has been amended.

Regarding "Per Diems", the entry has been amended to clarify this disbursement. This disbursement was for a purchase of money orders to repay volunteers for per diem expenses. The limit of expense reimbursement any one individual volunteer was eligible to receive did not exceed the \$200 YTD aggregate requiring itemization.

Regarding Involvement with "2004 Joint Victory Committee", our activity with this committee did not include receipt of contributions, as such we are not required to reflect this on our Statement of organization.

The question regarding a voided check is actually two separate normal occurrences of processing payables that were corrected by voiding the checks. They were reported correctly and do not need to be amended.

The loan schedule C and C-1 have been amended to indicate the due date as the date the loan was paid. The original filing had left the field blank because there was nothing due at the time of filing. This was an unusual report because the loan was received and paid within a single reporting period. The field for interest rate on the electronic filing

## ETEXT ATTACHMENT

does not provide for the explanation of the rate that is variable dependent on the money market. The paper filing indicates "variable" in this field. Interest paid on this loan is reported on the subsequent report.

Schedule C filed on paper has 3/31/2003 as the date established and electronic filing has 10/27/2004 for the corresponding field. This occurred because the electronic documentation referred to the data as date incurred and that was interpreted to mean the day money was borrowed. The report is amended to reflect the same date as the paper report.

In response to your inquiry regarding Schedule E reporting of Independent Expenditures, the committee provides the following information.

First, the committee properly disclosed the name and mailing address of the payee, the purpose of the expenditure, the date of payment, the amount, the name and office sought and whether the candidate was supported or opposed for each independent expenditure. The committee has amended its Schedule E to also include the election designation and calendar year to date total per election for the particular office sought.

Second, you note that a review of the independent expenditures disclosed on Schedule E indicates that the committee may have failed to file required 24 hour reports as specified in 11 CFR 104.4(c) within 24 hours of certain independent expenditures in excess of \$1,000.

Further, you cite that the committee filed 24 hour notices disclosing payments to Arena Communications and Crossroads Media, LLC, noting that the amounts and dates of public dissemination disclosed on these notices do not appear to correlate with the entrees on Schedule E, supporting Line 24 for the reporting period.

Please be aware that the committee strictly adhered to the rules regarding disclosure of independent expenditures and implemented an internal process for the administration of such disclosure to assure that all notices were properly and timely filed. This was a process carefully devised to observe the prohibition on communication of information between the Independent Expenditure unit and the committee. At the same time, it was devised to prevent any oversight with respect to the committee's 24-hour notice obligation.

As you know, the trigger for disclosure set forth in the regulations governing independent expenditures makes it impossible for the report of independent expenditures on Schedule E to consistently track the report of expenditures disclosed in 24-hour reports. The 24-hour report is a disclosure of the distribution or dissemination of an independent expenditure communication, while the disclosure on Schedule E is tied strictly to the date of the expenditure.

As noted above, the committee established a careful process for the transfer of information so that the committee might accurately file 24-hour reports while at the same time avoiding any improper transfer of information from the Independent Expenditure unit to the committee. The inherent constraints imposed by the committee's strict observance of the prohibition on communication between the IE unit and the committee meant that only the most basic information serving as the basis for the committee's 24 hour report was communicated to the committee. That information was limited to: 1) the identity of the vendor, 2) the date of the dissemination and 3) expense of that dissemination.

Again, due to careful observance of the prohibition on coordination, one outside consultant independently served as the administrator of the Independent Expenditure unit. That independent consultant served as the sole liaison with the committee and was responsible for all communications related to administrative issues, including the date of dissemination of a communication and vendor payments. As such, the consultant was advised of the 24 hour disclosure rules and in turn communicated to the RNC Counsel's Office the date that each communication aired or was mailed. The RNC Counsel's Office in turn filed the 24 hour disclosure.